Scott. M-27—45,000—18-12-30

L.S.F. (1932) Department.

28 SERIES.

G.O. No. 400-28.

DATED 26.2.1932

[Despatch Abstract.]

Loan- Bellary Municipal Council - Levy of Penal interest - exemption from - declined.

E1

C.F. 30.

DEPARTMENT.

Received 12 FEB 1932 19 . *Registered* 19 .

Subject.

Requesting the Government to excuse the levy of penal interest on the Annuity of loans taken in view of the Poor financial condition of the Municipality.

ENCLOSURES.
No. One.
Spare copies

R.Dc No. 319/31

Station Bellary., *Dated the* 1st February 1932. 19 .

From (Name) M.R.Ry. C. Balaji Rao Garu, B.A.B.L.
(Designation) Chairman Municipal Council Bellary.

To The Secretary to the Government of Madras,
Local Self Government Department.
Madras.

Sir,

Ref: G.O.No:Ms: 2401 P.H. dated 10-12-31 sanctioning extension of time for payment of annuity as loan taken for water supply and electrification schemes.

In forwarding herewith the copy of Council's reso-lution No:11 dated 30-1-32 I request the Government to excuse the levy of penal interest on the annuities on loans taken for water supply and the electrification schemes considering the poor financial condition of this Municipality. The Government is aware that the Municipality is working with a heavy deficit and they had in G.O.No:1214 Ms: L & M dated 13-4-31 accorded sanction for diversion of the capital receipts and the receipts from water supply and drainage account. As

the capital receipts have been spent for the purpose for which they were intended, and the surplus balance under water and drainage tax funds has been spent on the two Water Supply Extension schemes of Brucepetta and Cowl Bazaar, the Council finds it very difficult to get on with the different services and pay them regularly. The general economic distress and the famine conditions here have considerably hamped the collection work to such an extent that the expected revenues have not been realised to the extent budgetted for. Considering all these circumstances it is hoped that the prayer of this council will be considered favourably.

I.M/

M. Ganapathia
Vice-Chairman. 9.2.32

9/2/32

Extract from Proceedings of the Municipal Council passed at its meeting held on Saturday the 30th January 1932 at 8 A.M.

.....

Date. 1-2-32.

11. G.O.No:2401 P.H. dated 10-12-31 extending time till the end of March 1932 for payment of annuity due on the loans for water w orks and ~~the~~ electric concern subject to the condition of payment of penal interest at 10% per annum from the time they fell due.

Also office note for addressing the Government for excusing the penal interest in view of the financial difficulties of the Municipality.

Resolution:- The Government may be requested to excuse the penal interest considering the poor financial condition of the Munici--pality.

Sd/- C. Balaji Rao,
Chairman M.C.

.....
True extract.

Vice-Chairman, 9.2.32

A.M/

R.S.G (PH) Dept

C. No. 5806

Subject:

Loan - Bellary Municipal Council - Levy of penal interest - Exemption.

AS2
AS1
D.S.

The Bellary Mpl Council should have paid to Govt. in Nov. 1931, a sum of Rs. 27,898 being the annuity due towards the loans (Rs 3·64 lakhs) taken in 1929 and 1930 for its water supply and electrification Schemes. In G.O No 2401 PH dt 10-12-1931 The Govt sanctioned an extension of time for the payment of the annuity till the end of March 1932 subject to the Condition that penal interest at 10 p.c. per annum is paid on the instalments from the dates on which they are due. The Bellary Mpl Council now requests Govt to excuse the levy of penal interest on the annuity referred to above in view of the poor financial Condition of the Municipality. ~~It is submitted for orders whether the Council's request should be complied with~~. This is examined below.

Bpk
17/2

17/2.

Please see G.O.s Nos. 3809 Local 12-10-31 (G).
~~3174 Local 6-8-31~~

and 2708 Local 7-7-30, ~~1625 Local 3-5-30~~ (H) (K)
~~2788 Local 23-10-30~~ wherein the Govt. have declined to waive the recovery of penal interest charged on overdue instalment towards the repayment of loans irrespective of the fact whether the finances of the local bodies permit such recovery or not. Govt. may therefore refuse to waive the recovery of penal interest in this case also. A draft order is subd for approval.

19/2

Eg.

AS

AS.
~~AS~~

Sectt. II-5 (a)

L. S.G (PH) DEPARTMENT.

	Date.	Initials.
When received for Fair-copying.		
When copied ..		
When examined ..		
When signed ..		
When despatched ..		

Loan - Bellary M.C. - Levy of Penal interest - exemption from - Declined.

READ AGAIN G.O. No. ..... dated ..... 19 .

" " " " ..... " ..... 19 .

READ ALSO :—

C. No. 5806 From the C.M.C. Bellary, No. 319/31, dated 1-2- 1932

" " ..... " " ..... " ..... 19 .

" " ..... " " ..... " ..... 19 .

400 PH.

ORDER. No. ....., dated 26-2- 1932

The C.M.C. Bellary is informed that the Govt are not prepared to exempt the M.C. from payment of penal interest on the annuities which are overdue in respect of the loans taken for water supply and electrification Schemes.

BPK
27/2

To

The C.M.C. Bellary.
The Ex. L.P. Accts.
The A.G-Gaz..
The Fin. Dept.

Dpd. Van Post / Messenger 1, 2, 3, 4

Dpr's BJ

Date 27/2/32